

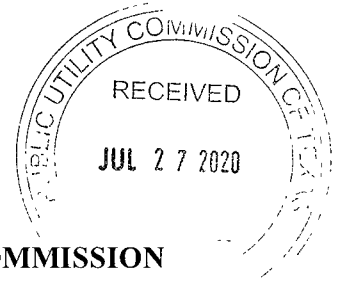


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**DOCKET NO. 49386**

**APPLICATION OF LAS LOMAS  
MUNICIPAL UTILITY DISTRICT NO.  
4A OF KAUFMAN COUNTY,  
FORMERLY KNOWN AS LAS LOMAS  
MUNICIPAL UTILITY DISTRICT NO.  
4 OF KAUFMAN COUNTY AND LAS  
LOMAS MUNICIPAL UTILITY  
DISTRICT NO. 4B OF KAUFMAN  
COUNTY FOR SALE, TRANSFER, OR  
MERGER OF SEWER FACILITIES  
AND CERTIFICATE RIGHTS IN  
KAUFMAN COUNTY**

**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**COMMISSION STAFF’S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 10, files this Recommendation on Sufficiency of Closing Documents. In support thereof, Staff shows the following:

**I. BACKGROUND**

On March 28, 2019, Las Lomas Municipal Utility District No. 4A (Las Lomas 4A) and Las Lomas Municipal Utility District No. 4B (Las Lomas 4B) (collectively, Applicants) filed an application for sale, transfer, or merger of facilities and certificate rights in Kaufman County, Texas. Specifically, Las Lomas 4B seeks approval to acquire facilities and to transfer sewer service area from Las Lomas 4A under sewer Certificate of Convenience and Necessity (CCN) No. 21007. The requested area includes approximately 6,168 acres and zero customers. The Applicants filed supplemental information on April 9, 2019, June 21, 2019, and September 10, 2019.

On May 20, 2020, the administrative law judge (ALJ) issued Order No. 10, approving the sale to proceed and establishing a deadline for Staff to file a recommendation regarding the sufficiency of closing documents and to propose a schedule for continued processing of this docket within 15 days following the filing of proof that the transaction has been consummated. Applicants filed proof that the transaction had been consummated on June 16, 2020. Therefore, Staff’s filing is delayed. Staff apologizes for the delay to both the ALJ and Applicants.

## II. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Applicants on June 16, 2020. Based on its review, Staff has determined that Applicants' filing meets the requirements of 16 Texas Administrative Code (TAC) §§ 24.239(k)-(n).

The documentation filed on June 16, 2020 is a letter stating that "there is no transaction to take place between Las Lomas 4A and Las Lomas 4B";<sup>1</sup> but rather, that the Applicants wish to transfer all of the CCN rights from Las Lomas 4A to Las Lomas 4B. The letter further states that there are no existing customers, no service is currently being provided to the area that is the subject of the application, and there are no customer deposits to address.

Under 16 TAC §24.239(n), Applicants were required to file a "signed contract, bill of sale, or other appropriate documents as evidence that the transaction has closed" that is signed by both Las Lomas 4A and Las Lomas 4B and "evidence that customer deposits have been transferred or refunded..." Here, there is no transaction to consummate other than the CCN transfer, and sewer CCN number 21007 will be held by Las Lomas 4a until the application receives final approval.<sup>2</sup> In addition, the letter was signed by an attorney who represents both Las Lomas 4A and Las Lomas 4B and expressly states that there are no outstanding customer deposits to transfer or refunds to issue. Accordingly, Staff recommends that Applicants' filing meets the requirements of 16 TAC §§ 24.239(k)-(n).

## III. PROPOSED PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule for continued processing of the docket:

<b>Event</b>	<b>Date</b>
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Applicants for review and consent	August 31, 2020
Deadline for Applicants to file signed consent forms with the Commission	September 14, 2020

<sup>1</sup> Letter in Response to Order No. 10 Evidencing Proof of Transaction (Jun. 16, 2020).

<sup>2</sup> Order No. 10 at Ordering Paragraph No. 5.

Deadline for parties to jointly file a proposed Notice of Approval, including proposed findings of fact, conclusions of law and ordering paragraphs	September 28, 2020
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#### IV. CONCLUSION

For the reasons detailed above, Staff respectfully requests that an order be issued finding that the closing documents filed by Applicants are sufficient and that customer deposits have been addressed. Staff further requests that the procedural schedule proposed above be adopted for the continued processing of this docket.

**Dated: July 27, 2020**

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on July 27, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664

/s/ John Harrison  
John Harrison.